

**MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS OF THE  
BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)**

April 28, 2021

On this date, a Regular Meeting of the Commissioners of the Balancing Authority of Northern California (BANC) was held telephonically.

Representatives Present:

<b>Member Agency</b>	<b>Commissioner</b>
Modesto Irrigation District (MID)	James McFall
City of Redding	Dan Beans, Chair
City of Roseville	Michelle Bertolino
Sacramento Municipal Utility District (SMUD)	Paul Lau
City of Shasta Lake	Absent
Trinity Public Utilities District (TPUD)	Absent

<b>Agency</b>	<b>Liaison(s)</b>
Western Area Power Administration (WAPA)	Sonja Anderson Brian Griess Jeanne Haas Arun Sethi

1. Call to Order: Mr. Jim Shetler, BANC General Manager, reviewed attendance and confirmed that a quorum was present. Chair Beans called the meeting to order at 2:00 p.m.
2. Matters Subsequent to Posting the Agenda: None.
3. Public Comment: Chair Beans invited comments from the public and none were given.
4. Consent Agenda: Commissioner Lau moved, Commissioner McFall seconded, and the participating Commissioners unanimously approved the Consent Agenda items comprised of: (A) Minutes of the Regular Commission Meeting held on March 24, 2021; (B) BANC Operator Report for March; (C) Compliance Officer Report for April; (D) PC Committee Chair Report for April; and (E) General Manager's Report and Strategic Initiatives Update.
5. Regular Agenda Items – Discussion and Possible Action:
  - A. Mr. Shetler shared that BANC EIM Phase 2 went live at midnight on March 24th with no major issues. Since go-live, BANC has primarily been seeing net EIM imports into the BANC footprint in the range of 100-400 MW, which is consistent with expectations for this time of year. The EIM Committee is in the process of transitioning from an EIM project/implementation focus to a focus on oversight of day-to-day operations. Subcommittees are being created for: technical evaluation of EIM performance, settlements monitoring, and tracking Flex Ramp Test performance. Separately, LADWP and Public Service of New Mexico also went live on April 1st with no major issues.

## MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS OF THE BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

One outstanding issue related to the EIM Phase 2 is the approach that will be used for assignment of EIM Participant unsecured credit. SMUD has executed a guaranty with CAISO to assign \$5 million of their unsecured credit to BANC, and other member participants are in the process of executing guarantees of their own, with a goal date of June 1st. It is not yet known how this may apply to WAPA, but options are being explored, and a meeting has been scheduled between BANC, CAISO and WAPA in early May.

- B. Mr. Shetler reiterated that EDAM remains in a holding pattern, as the CAISO is focused on Summer 2021 Enhancements. Mr. Tony Braun, BANC Counsel, provided a brief Governance Review Committee (GRC) update. The GRC voted out its Phase 1 proposals, which include several changes to EIM Governance, most notably: the role of public power entities as liaisons to the Body of State Regulators, changes to Regional Issues Forum, the ability of the Governing Body to engage a market expert to assist in deliberations, and a change to the Nominating Committee. At this time, the changes do not include the Joint Authority Model, as the GRC believes there is additional work to be done on that front. The CAISO Board and EIM Governing Body will vote on the Phase 1 recommendations next week, and the CAISO will then release the bylaws and charters reflecting those changes for public comment. The GRC has begun additional outreach related to the Joint Authority Model, with a public meeting, an additional workshop, and individual outreach planned in order to produce a draft for review, currently expected in the June timeframe.

Mr. Shetler provided an update on CAISO Summer Enhancements. A final straw proposal has been issued and approved by the CAISO Board, and final tariff language is expected to be filed shortly. Minor corrections to the EIM Resource Sufficiency Test will be implemented, and CAISO has committed to a deeper review of RS Test adequacy. Many of BANC's concerns related to CAISO Export Priorities have been addressed, including how Variable Energy Resources will be treated. Mr. Kevin Smith, BANC Counsel, concurred and noted that most of the other changes do not significantly impact BANC. Mr. Shetler also noted the generation derates issue has been resolved to BANC's satisfaction. Wheel-throughs, while not an issue for BANC, continue to be a significant issue for other EIM participants. System Market Power Mitigation recommendations have been deferred to a later point in time.

- C. Mr. Shetler provided an update regarding BANC's participation in the NWPP Resource Adequacy Program and expects to provide a recommendation regarding next steps in mid-2021, once the detailed design phase wraps up. Implementation, the next phase, will be phased over the next 3 years. Mr. Shetler briefly reviewed several considerations that would likely impact BANC's decision as to whether it may choose to participate after this phase and then reviewed next steps. Results from the program developer analyses are due in the next few weeks, and cost estimates for the next phase should be available for review shortly. Mr. Shetler stated that no action was being requested of the Commission at this time and that he expected to provide a recommendation to the BANC Resource Committee in the next 60 days. No questions were raised by the Commission.
- D. Mr. Mark Willis, representing the BANC Operator, provided an overview of the 2021 Summer Load and Resource Assessment and answered Commissioner questions related to the presentation. Mr. Shetler and Mr. Willis committed to ensuring that additional information regarding operating procedures for the Summer would be shared with the BANC Operating Committee at their next meeting. Commissioner McFall

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS OF THE  
BALANCING AUTHORITY OF NORTHERN CALIFORNIA (BANC)

moved, Commissioner Lau seconded, and a roll call vote was taken. All participating Commissioners voted unanimously in favor of Resolution 21-04-19 *Acknowledgement and Acceptance of the 2021 Summer Load & Resources Assessment of the Balancing Authority of Northern California*.

- E. Mr. Shetler shared that BANC's 2021 Strategic planning session is currently scheduled for the afternoon of August 11<sup>th</sup> at 555 Capitol Mall in the 3<sup>rd</sup> Floor Boardroom, with the understanding that the meeting may need to be held telephonically, dependent upon current conditions related to CA executive orders and BANC member protocols. Potential topics are expected to include: (1) market development in the west; (2) SMUD's 2030 'Zero' Carbon Plan including implications and opportunities for BANC; and (3) a general discussion related to future BANC resource planning.

6. Closed Session: The Commission retired to closed session at 2:49 p.m. for conference with legal counsel in anticipation of litigation pursuant to subdivision (c) of Cal. Gov't Code § 54956.9.

The Commission adjourned from closed session at 3:05 p.m., where no formal action was taken.

Minutes approved on May 26, 2021.

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C. Anthony Braun, Secretary